

## Geographical Indications and Trade: Firm-Level Evidence from the French Cheese Industry

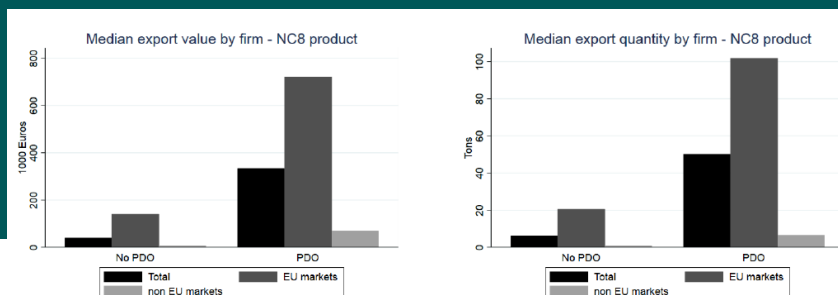
Duvaleix, S., Emlinger, C., Gaigné, C., & Latouche, K. (2021). *Geographical indications and trade: Firm-level evidence from the french cheese industry*. *Food Policy*, 102, <https://doi.org/10.1016/j.foodpol.2021.102118>.

### HIGHLIGHTS

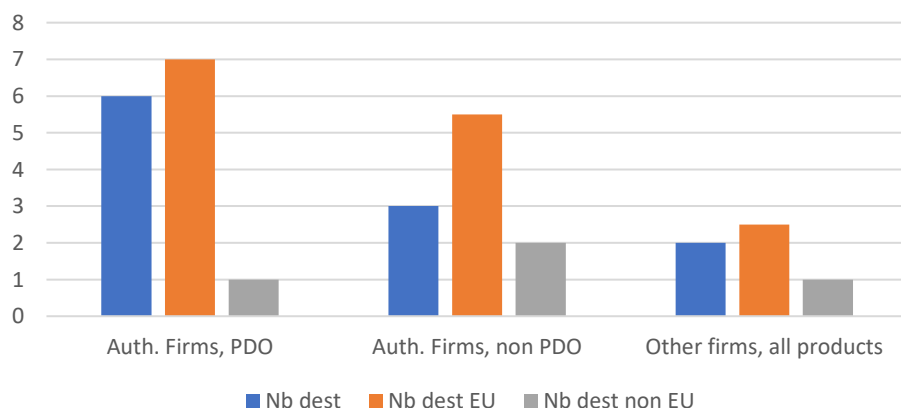
- Geographical Indications (GIs) significantly impact export performance.
- Protected Designation of Origin (PDO) labels enhance firms' export unit value and their probability to export.
- PDO labels' effectiveness varies by destination market due to differing consumer preferences and trade regulations.
- PDO varieties are perceived by consumers as varieties of higher quality than non-PDO varieties.

Protected Designation of Origin (PDO) labels significantly boost the export performance of French cheese producers, but their effectiveness varies across international markets due to differences in consumer preferences and trade regulations, highlighting the need for strengthened global GI protection and enhanced consumer education.

Export per firm and product



Median number of destinations per firm-product



Number of registered GIs in the cheese sector

	Total	PDO	PGI
European Union	243	189	47
France	55	46	9
Italy	55	53	2
Spain	29	26	3
Greece	23	22	1
Portugal	12	11	1

Notes: Authors' computation using the eAmbrosia database.

## INTRODUCTION



Geographical Indications (GIs) are a type of intellectual property that designates a product as originating from a specific place, where a given quality, reputation, or other characteristic of the product is essentially attributable to its geographical origin.

In the European Union, GIs are part of a broader quality policy aimed at protecting regional products and traditional know-how.

This study investigates the impact of PDO labels, a subset of GIs, on the export performance of French cheese producers, exploring the differences in trade patterns between PDO and non-PDO varieties.

## DATA AND METHODS

The analysis utilizes firm-level export data from French cheese producers, examining both PDO and non-PDO varieties.

The empirical strategy is guided by firm-based trade theory, focusing on how PDO labels influence export performance.

The study considers the domestic market's historical context and the established nature of PDO production in France, assuming that PDO adoption was not initially driven by foreign market demands. The key variables include export value, quantity, and the impact of PDO labels in different international markets.

## MAIN RESULTS

The study finds that PDO labels significantly enhance the export performance of French cheese producers. Firms with PDO-certified products experience higher export unit values and their probability to export compared to non-PDO firms.

The effectiveness of PDO labels varies across destination markets, influenced by consumer preferences for quality and the specific trade regulations in those markets. PDO labels serve as a collective brand, enhancing the perceived quality of products and facilitating market access.

## POLICY RECOMMENDATIONS

- 1. Strengthen GI Protection Globally:** Advocate for stronger international agreements to protect GIs and prevent misuse of denominations, ensuring that PDO products are recognized and protected in key export markets.
- 2. Promote Consumer Awareness:** Increase efforts to educate consumers globally about the value and authenticity of PDO products, enhancing their willingness to pay a premium for such products.
- 3. Support Producers:** Provide financial and technical support to producers seeking PDO certification, helping them navigate the certification process and comply with production standards.
- 4. Facilitate Market Access:** Work with trade partners to reduce barriers for PDO products, ensuring smoother market entry and fair competition in international markets.